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AUDIT

BUREAU OF AUDIT

June 30, 2014

By Electronic Mail

Commissioner Thomas Finkelparl
New York City Department of Cultural Affairs
31 Chambers Street
New York, New York 10007

**Re: Letter Report on the New York City Department of Cultural Affairs'
Compliance with Local Law 36 (Audit Number 7R14-094AL)**

Dear Commissioner Finkelparl:

This Letter Report contains the findings of our audit of the compliance by the New York City Department of Cultural Affairs (DCLA) with Local Law 36, which governs waste prevention, reuse and recycling by City agencies. The objective of this audit is to determine if DCLA is complying with the local law, which is intended to make City agencies, and ultimately the City as a whole, more sustainable through efforts that promote a clean environment, conserve natural resources, and manage waste in a cost-effective manner. In addition, in the course of the audit, we noted efforts made by DCLA to follow additional recycling rules established by the Department of Sanitation for the City of New York ("DSNY") pursuant to Local Law 36. Our audit of DCLA is one in a series of audits we are conducting of compliance with the local law.

Background

In 1989, New York City established Local Law 19, codified as Administrative Code §§ 16-301, *et seq.*, to establish an overarching "policy of the city to promote the recovery of materials from the New York City solid waste stream for the purpose of recycling such materials and returning them to the economy." The law mandates recycling in New York City by residents, agencies, institutions, and businesses, and includes a series of rules to guide implementation. Local Law 19 requires the City to establish environmental policies to conserve natural resources and manage waste in a sustainable and cost-effective manner.

In 2010, the City enacted Local Law 36 by which it amended the recycling provisions of Local Law 19 (Administrative Code § 16-307) to require each City agency to develop a waste prevention, reuse and recycling plan and submit plan to DSNY for approval by July 1, 2011, and each year after. Local Law 36 also requires each agency to designate a lead recycling or sustainability coordinator for the agency and, where the agency occupies

more than one building, to designate an assistant coordinator for each building the agency occupies. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the head of its agency and to DSNY “summarizing actions taken to implement the waste prevention, reuse, and recycling plan for the previous twelve-month reporting period, proposed actions to be taken to implement such plan, and updates or changes to any information included in such plan.”

In addition, Local Law 36 requires the Commissioner of DSNY to adopt, amend, and implement regulations governing recycling by City mayoral and non-mayoral agencies. DSNY is also responsible for consolidating the information contained in agency reports and including this information in the Department’s annual recycling report.

Findings and Recommendations

Our audit found that DCLA generally complies with Local Law 36. Pursuant to Local Law 36, DCLA was supposed to have submitted a waste prevention, reuse and recycling plan no later than July 1, 2011 and we found that such a plan was submitted by the deadline. We also found that DCLA was in compliance with certain Local Law 36 requirements such as recycling designated materials. However, we found no evidence that DCLA submitted its annual 2012 and 2013 required reports to its Commissioner or to DSNY as required. Our findings are outlined in the following table entitled Compliance Summary below:

COMPLIANCE SUMMARY		
Local Law 36 Criteria	Compliance	Notes
Recycles designated materials	Yes	Overall the program complied
Designates waste prevention reuse and recycling coordinator	Yes	DCLA has a complete list of lead coordinator and assistant coordinators
Establishes a waste prevention reuse and recycling plan by July 1, 2011	Yes	Plan was adequately supported
Submits annual report to agency head and DSNY Commissioner	No	DCLA has no records of submitting the fiscal years 2012 and 2013 reports

In addition to these findings, we observed that DCLA has made additional efforts to address waste prevention, reuse and safe handling of hazardous waste beyond the requirements of Local Law 36. DCLA has made its recycle program information available online. DCLA has also established a sustainability or “green team” with a working group and executive committee to support its coordinator. Further, DCLA runs an educational program called the Materials for the Arts (MFTA) where many different types of unused recyclable materials are collected and used for educational purposes. Through this program,

DCLA has been able to integrate education and waste reduction efforts in addition to demonstrating many recycling and waste prevention best practices.

We recommend that DCLA submit the required annual report to its Executive Director and DSNY by July 1st of each year as required by Local Law 36.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope period for this audit was July 1, 2011 the date Local Law 36 went into effect, through January 7, 2014 the last day of our fieldwork. Our methodology for this audit consisted of the following steps:

- We reviewed applicable laws, rules, policies, and procedures to determine our criteria in accordance with Local Law 36, including Local Law 19, Local Law 36, DSNY's agency waste prevention, reuse and recycling plan template, and DSNY's report submission form and implementation guidelines;
- We sent an electronic survey to DCLA to determine if the agency met the key provisions of Local Law 36 reflected as the core criteria in the table below and analyzed the survey results and other additional materials provided by DCLA;
- We requested and reviewed, as applicable, DCLA's waste prevention, reuse, and recycling plan, list of coordinators, and the agency's 2012 and 2013 annual reports; and
- We conducted interviews with DCLA's recycling/sustainability coordinator to discuss the agency's recycling and waste prevention efforts and visited DCLA to verify it's compliance with Local Law 36.

Based on our understanding of the Local Law 36 requirements, we outlined all the criteria necessary for agencies to be in compliance. The table below outlines agencies' core criteria required to achieve compliance under Local Law 36. A summary of these core criteria forms the basis for the compliance summary reported for each audited agency.

CORE CRITERIA	
Compliance	Detailed Criteria
Recycling	Agency source-separates recyclable materials
Coordination	Agency has a lead coordinator
	Agency has assistant coordinator(s) as applicable
WPRR Plan	Agency has a waste prevention, recycling, and reuse plan
Report to Agency Head and DSNY Commissioner	Agency submitted 2012 report
	Agency submitted 2013 report

Because many agencies may have pursued initiatives beyond these core requirements, we recognized agencies' additional actions regarding recycling and sustainability. Our observations are based on the additional actions established by DSNY in its waste prevention, reuse and recycling plan implementation guidelines and other efforts taken by agencies.

The issues covered in this report were discussed with DCLA officials during and at the conclusion of this audit. On June 17, 2014, we submitted a draft letter report providing DCLA with an opportunity to formally respond. DCLA's response was received on June 30, 2014. In its written response, DCLA stated that it "is in agreement and will take necessary steps to address this each year."

The full text for the DCLA's comment is attached as an addendum to this report.

Sincerely,



Marjorie Landa

- c. Louise Woehrle, Agency Chief Contracting Officer, Department of Cultural Affairs
 Joanne Ricks, Director of Administration, Department of Cultural Affairs
 Mindy Tarlow, Director, Mayor's Office of Operations
 George Davis, III, Deputy Director, Mayor's Office of Operations

ADDENDUM
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TOM FINKELPEARL
Commissioner

June 30, 2014

Marjorie Landa
Deputy Comptroller for Audit
New York City Comptroller's Office
1 Centre Street
Room 1100
New York, NY 10007

Dear Deputy Comptroller Landa,

This letter serves as the Department of Cultural Affairs' response to the Comptroller's audit findings for Audit Number 7R14-094AL, Compliance with Local Law 36.

We appreciate the Comptroller's positive audit finding that DCLA is generally compliant with Local Law 36, and their acknowledgment of DCLA's additional efforts to address waste prevention, reuse, and safe handling of hazardous waste beyond the requirements of Local Law 36.

As part of their compliance summary, the Comptroller's Office recommends that DCLA submit the required annual report to the Agency Commissioner and Department of Sanitation by July 1st of each year as required by Local Law 36. Department of Cultural Affairs is in agreement and will take necessary steps to address this each year.

If there are any questions regarding our response to your audit findings, please contact me at 212-513-9315, pshao@culture.nyc.gov.

Thanks very much,



Phillippa Shao

cc: George Davis III, Deputy Director, Mayor's Office of Operations
Louise Woehrle, Agency Chief Contracting Officer, Department of Cultural Affairs
Joanne Ricks, Director of Administration, Department of Cultural Affairs